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NORTH CHINA REGULATIONS RESTRICT TRADE;  
SHANG-HAI -- USSR TRADE EXPANDS

MUST OBTAIN CERTIFICATES FOR EACH SHIPMENT -- Hsin-sheng Wan-pao, 31 Jan 50

Hong Kong merchants are fearful that new foreign trade regulations recently placed into effect by North China authorities will severely restrict trade between the two areas. The new measures, designed to replace previous barter arrangements, provide for extensive registration procedures similar to those adopted earlier by the Kwangtung trade officials.

Importers and exporters in North China must now secure trade certificates, on which are listed the type and value of goods being imported or exported. Many types of goods may not be traded, and approval is necessary for each shipment. After approval has been granted, importers must still go through exchange clearance procedures, similar to those under the KMT, at the People's Bank, and must also secure two prosperous merchants to act as guarantors.

DIRECT PURCHASE OF COTTON FROM PAKISTAN RUMOREI - Kung-sheng Jih-pao, 26 Jan 50

The Hong Kong cotton market has recently been given the jitters by a rumor that the Pei-p'ing government plans to make direct purchases of cotton from Pakistan. A member of the trade pointed out, however, that the cotton trade of Hong-Kong with Shang-hai and T'ien-ching is already in a semioribund state due to exchange difficulties which compel traders to resort to roundabout methods in handling exchange. This process results in losses of up to 30 percent, causing most traders to suspend operations temporarily. The same spokesman also points out that the Pei-p'ing government has no reserves of foreign exchange for such purchases, has little likelihood of securing credit in Shang-hai banking circles, and, further, will find it almost impossible to run the Nationalist blockade even if the cotton were purchased. Transport by rail from Kuang-chow would not be practical.

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USER PAPER AND PULP TO SHANG-HAI -- Wen-hui Pao, 27 Feb 50

According to a report from Shang-hai, trade between China and the Soviet Union continues to expand. A shipment of 4,000 tons of Soviet newsprint arrived in Shang-hai from T'ien-ching early in January. In addition, 4,300 tons of pulp have arrived at a certain port in the Northeast, where it awaits transportation southward. The Shang-hai Foreign Trade Corporation has sent an agent to North China to handle its transport to Shang-hai. Continuing shipments of pulp from the Soviet Union are expected to solve the city's paper problems.

NORTHEAST BEANCAKE TO TAIWAN VIA HONG KONG -- Wen-hui Pao, 28 Jan 50

Trade between Hong Kong and the Northeast has increased recently as a result of the opening of the port of Ta-lien to foreign trade by Northeast trade authorities. This action, occasioned by the ice-bound conditions in other ports, is temporary.

The main item from Ta-lien thus far has been three shiploads of beancake, totaling 7,400 tons. Five thousand tons of the beancake have been purchased by Taiwan, which has a pressing need for edible oils. The oil is extracted from the beancake and the residue is used for fertilizer.

SHANG-HAI IMPORT REGULATIONS EASED -- Wen-hui Pao, 26 Jan 50

In view of the uncertainties of shipping schedules at the port of Shang-hai the Hu-chiang customs office has issued a ruling that importers may have 15 days from the time their goods reach customs in which to comply with the customs formalities and pay the duty.

Importers who had not previously secured import permits (which should be secured before the importer contracts for the goods abroad) will be required to leave their goods in the customs godown until they have secured the permit. For those people who may not be able to get the permit and carry out the other formalities within the 15 days an extension of 15 days will be granted. Those who delay beyond the total of 30 days will be regarded as smugglers and their cargo confiscated.

The provisional regulations previously promulgated concerning the classification of imports into "permitted," "restricted," and "forbidden" classes will remain in force except in the case of gasoline. This item will be shifted into the permitted class.

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